Financial Statement
1999-2000

Southeast
Regional College

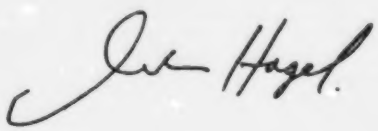
Letter of Transmittal

The Honourable Dr. Lynda M Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the Southeast Regional College for the year ending June 30, 2000.

Respectfully submitted,



Glenn Hagel
Minister of Post-Secondary Education and Skills Training

HILLSTEAD, MELANSON
ACCOUNTING AND TAX SERVICES
115 SECOND STREET
WEYBURN, SASKATCHEWAN
S4H 0T7

AUDITOR'S REPORT

To the Board of Governors of Southeast Regional College:

I have audited the statement of financial position of the Southeast Regional College as at June 30, 2000, and the statements of operations, changes in fund balances and cash flows for the year then ended. The college is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion these financial statements present fairly in all material respects, the financial position of Southeast Regional College as at June 30, 2000, and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Weyburn, Saskatchewan
September 14, 2000

Ted Hillstead CGA
Hillstead, Melanson

Southeast Regional College
Statement of Financial Position
at June 30, 2000

	Operating Fund	Capital Fund	Scholarship Fund	2000	1999
	$	$	$	$	$
Assets					
Current Assets					
Cash	878,509			878,509	957.424
Cash, internally restricted funds (note 12)	590,128			590,128	780.441
Accounts Receivable (note 3)	552,684			552,684	243.158
Prepaid expenses	65,998			65,998	11.753
	2,087,319			2,087,319	1,997.776
Capital Assets (notes 2 & 4)		405,436		405,436	327.998
Deferred rent (note 8)		120,000		120,000	135.000
		525,436		525,436	462.998
	2,087,319	525,436		2,612,755	2,460.774
Liabilities					
Current Liabilities					
Accounts payable (note 5)	727,948			727,948	545.210
Accrued vacation pay (note 6)	107,488			107,488	106.864
Deferred revenue (note 11)	410,094			410,094	439.261
	1,245,530			1,245,530	1,092.335
Fund Balances (note 2)					
Unrestricted	251,661			251,661	125.000
Invested in capital assets		525,436		525,436	462.998
Internally restricted (note 12)	590,128			590,128	780.441
	841,789	525,436		1,367,225	1,368.439
	2,087,319	525,436		2,612,755	2,460.774

Approved on behalf of the Board

The accompanying notes form an integral part of these financial statements.

Ted Hillstead, CGA

Southeast Regional College
Statement of Operations
for the year ended June 30, 2000

	Operating		Capital		Scholarship			
	2000	1999 (note 15)	2000	1999	2000	1999	2000	1999
	$	$	$	$	$	$	$	$
Revenues (Schedule 1)								
Saskatchewan Post-Secondary Education and Skills Training	3,557,697	3,186,636		11,211			3,557,697	3,197,847
Federal Government	107,167	575,471					107,167	575,471
Other Revenue	1,855,921	1,827,272	15,108	7,399		629	1,871,029	1,835,300
Total revenues	**5,520,785**	**5,589,379**	**15,108**	**18,610**		**629**	**5,535,893**	**5,608,618**
Expenses (Schedule 2)								
Contractual & Professional Services	1,984,999	1,954,797					1,984,999	1,954,797
Rentals	268,383	257,710	(30,000)	(30,000)			238,383	227,710
Repairs and Maintenance	18,351	25,339					18,351	25,339
Amortization(notes 4 and 8)			172,348	280,783			172,348	280,783
Scholarship disbursements					4,155			4,155
Operating Expenses (Schedule 3)	816,190	829,748	635				816,825	829,748
Personal Services	2,306,201	2,317,698					2,306,201	2,317,698
Total expenses	**5,394,124**	**5,385,292**	**142,983**	**250,783**	**4,155**		**5,537,107**	**5,640,230**
Excess / (deficiency) of Revenue over expenditures	**126,661**	**204,087**	**(127,875)**	**(232,173)**	**(3,526)**		**(1,214)**	**(31,612)**

The accompanying notes form an integral part of these financial statements

Ted Hillstead, CGA

Southeast Regional College
Statement of Changes in Fund Balances
for the year ended June 30, 2000

	Invested in capital assets	Internally Restricted Funds	Unrestricted Funds	2000	1999
	$	$	$	$	$
Balance, beginning of the year	462,998	780,441	125,000	1,368,439	1,400,051
Excess/<deficiency> of revenue over expenses	(127,875)		126,661	(1,214)	(31,612)
Investment in capital assets	234,786	(234,786)			
Inter-fund transfers - to / (from)	(44,473)	44,473			
Balance, end of the year	525,436	590,128	251,661	1,367,225	1,368,439

The accompanying notes form an integral part of these financial statements.

Ted Hillstead, CGA

Southeast Regional College
Statement of Cash Flows
for the year ended June 30, 2000

	2000 $	1999 $
Cash from Operating activities		
Excess/(deficiency) of revenue over expenses		
-Operating Fund	126,661	204,087
-Capital Fund	(127,875)	(232,173)
-Scholarship Fund		(3,526)
Amortization of capital assets	172,348	280,783
Net change in non-cash working capital	(205,576)	603,391
Net cash generated through operating activities	(34,442)	852,562
Financing and investing activities		
Purchase of capital assets	(234,786)	(221,311)
Net cash used in financing and investing activities	(234,786)	(221,311)
Net increase/(decrease) in cash	**(269,228)**	**631,251**
Cash, beginning of the year	1,737,865	1,106,614
Cash, end of the year	**1,468,637**	**1,737,865**

The accompanying notes form an integral part of these financial statements.

Ted Hillstead, CGA

Southeast Regional College
Schedule of Operating Fund Revenues by Function
year ended June 30, 2000

	Administration	Programming						
	General Revenue	Community & Individual Development	Adult Basic Education	Vocational Technical	University Credit	Student Services	2000	1999 (Note 15)
	$	$	$	$	$	$	$	$
Post-Secondary Education and Skills Training								
Admin Recovery	35,535		15,750	50,000			101,285	86,899
Base Grant	1,429,732						1,429,732	1,427,238
Program Payments			416,778	764,758		30,000	1,211,536	1,152,974
Other		7,343	126,743	563,847		117,211	815,144	519,525
	1,465,267	7,343	559,271	1,378,605		147,211	3,557,697	3,186,636
Federal Government								
Seat Purchases								54,921
Projects			62,136				62,136	494,977
Other	45,031						45,031	25,573
	45,031		62,136				107,167	575,471
Other								
Admin Recovery								24,714
Contracts		14,709	13,024	261,112		14,048	302,893	287,049
Interest	100,505						100,505	76,957
Rents	5,735						5,735	9,133
Resale Items	2,147	113,499	287	56,800	30,345		203,078	196,257
Tuition		529,894	96,308	421,255	189,362		1,236,819	1,217,885
Other	6,891						6,891	15,277
	115,278	658,102	109,619	739,167	219,707	14,048	1,855,921	1,827,272
Total Revenue	**1,625,576**	**665,445**	**731,026**	**2,117,772**	**219,707**	**161,259**	**5,520,785**	**5,589,379**
Total Expense (schedule 2)	**1,156,748**	**933,818**	**705,706**	**2,085,389**	**308,164**	**204,299**	**5,394,124**	**5,385,292**
Excess/<deficiency> of of revenue over expenses	**468,828**	**(268,373)**	**25,320**	**32,383**	**(88,457)**	**(43,040)**	**126,661**	**204,087**

The accompanying notes form an integral part of these financial statements.

Ted Hillstead, CGA

Schedule 2

.Southeast Regional College
Schedule of Operating Fund Expenses by Function
for the year ended June 30, 2000

	General Administration			Programming					2000	1999
	Board	Admin	Organization	Community & Individual Development	Adult Basic Education	Vocational Technical	University Credit	Student Services		
	$	$	$	$	$	$	$	$	$	$
Contractual/Professional Services	3,708	98,513	180	297,486	68,305	1,329,857	185,426	1,524	1,984,999	1,954,797
Rentals	2,219	(1,850)	35	61,363	62,879	129,700	9,065	4,972	268,383	257,710
Repairs & Maintenance		3,097	32	15,202		20			18,351	25,339
Operating (Schedule 3)	37,181	153,269	43,101	204,517	92,729	190,624	64,313	30,456	816,190	829,748
Personal Services	29,556	470,375	317,332	355,250	481,793	435,188	49,360	167,347	2,306,201	2,317,698
	72,664	723,404	360,680	933,818	705,706	2,085,389	308,164	204,299	5,394,124	5,385,292

The accompanying notes form an integral part of these financial statements.

Ted Hillstead, CGA

Schedule 3

Southeast Regional College
Schedule of Operating Expenses
for the year ended June 30, 2000

	2000	1999
	$	$
Operating Expenses		
Advertising	90,617	73,704
Association Fees and Dues	9,970	10,173
Bank Changes and Interest	2,218	1,892
Computer Software	7,974	10,062
Conference and Training Fees	4,528	6,537
Insurance	6,758	10,977
Materials and Supplies	110,658	115,781
Postal, Freight, and Courier	20,526	23,639
Printing and Duplicating	29,138	6,593
Resale Items	181,363	190,861
Small Equipment	27,442	7,776
Student Allowances	20,076	73,271
Subscriptions	3,461	1,799
Taxes and licenses		5,267
Telephone and Fax	94,188	102,506
Travel	188,512	160,115
Utilities	11,127	14,851
Other	7,634	13,941
	816,190	829,743

The accompanying notes form an integral part of these financial statements.

Ted Hillstead, CGA

Notes to the Financial Statements

1. General Information

The Southeast Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The Board of the Southeast Regional College is responsible for administering and managing the educational affairs of the College in accordance with *The Regional Colleges Act* and its regulations.

The College's objectives are to promote the social, economic and cultural development of Southeastern Saskatchewan by facilitating learning options in partnership with community groups and businesses.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles utilizing the restricted funds method of accounting for contributions.

a) Fund Accounting

Funds are a separate self-balancing set of accounts for each accounting entity established within the accounting system, which segregate the transactions of a particular activity, as follows:

i The Operating Fund accounts for the organization's program delivery and administrative activities. The fund reports unrestricted resources and restricted operating and program grants.

ii The Capital Fund reports the assets, liabilities, revenues and expenses related to the capital assets of the College.

iii The Scholarship Fund reports resources contributed for scholarships. Investment income and contributions are reported as revenue, and scholarships granted are reported as expenditures of this fund.

iv The College maintains Internally Restricted Funds designated by the Board for the following purposes:

Capital Purchases: Funds are allocated for three categories of future capital requirements: Program Computer Enhancement, Program Equipment Enhancement and Facility Enhancement.

Other: Other amounts are designated by the Board for specific purposes relating to future operations of the College. Funds in this category are: Program Development; to be used for development of existing and future programs to be offered by the College, and Education: to be used for professional development of College personnel.

Amounts transferred to, and disbursements from, these funds, are approved by the Board of Governors.

b) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is provided on a straight line basis over the estimated useful lives of the assets, and recorded as an expense in the capital fund, for the categories listed below:

Leasehold improvements	:	over the life of the lease, to which they relate.
Program equipment and office equipment	:	5 years.
Computer hardware and systems software	:	3 years.
Office furniture	:	10 years.

c) **Revenue recognition**

Restricted contributions related to general operations are recognized as revenue of the Operating Fund, in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund, in the year received.

Unrestricted contributions are recognized as revenue in the year received or receivable, if the amount to be received can be reasonably estimated, and collection is reasonably assured.

Investment income earned from the resources of internally restricted funds, is recorded as income in the Operating Fund.

Tuition revenue is recognized as revenue of the Operating Fund in the period in which the related expenses are incurred.

3. Accounts Receivable

Accounts receivable are composed of the following:	2000 $	1999 $
Saskatchewan Post-Secondary Education & Skills Training	64,236	69,561
Government of Saskatchewan - other	42,394	43,767
Other less allowance for doubtful accounts (2000 - $2,367, 1999 - $5,798)	446,054	134,830
	552,684	248,158

4. Capital Assets

	Cost		Accumulated Amortization		Net Book Value	
	2000 $	1999 $	2000 $	1999 $	2000 $	1999 $
Leasehold improvements	164,151	141,147	75,094	67,370	89,057	73,777
Program equipment	262,844	257,004	188,727	159,171	74,117	97,833
Computer hardware - programs	632,497	526,584	516,403	444,297	116,094	82,287
Computer hardware - admin.	253,059	195,455	194,083	159,038	58,976	36,417
Office equipment	44,839	35,874	37,667	35,874	7,172	
Office furniture	68,464	68,464	36,849	30,780	31,615	37,684
System software	167,877	134,416	139,472	134,416	28,405	
	1,593,731	1,358,944	1,188,295	1,030,946	405,436	327,998

5. Accounts Payable

Accounts payable are composed of the following:	2000 $	1999 $
Saskatchewan Post-Secondary Education & Skills Training	5,190	
Government of Saskatchewan - other	133,138	58,793
Other	589,620	487,417
	727,948	**546,210**

6. Accrued Vacation Pay

Vacation pay of $107,488, (1999, $106,864) representing vacation earned by employees but not yet paid, has been calculated and recorded in the accounts.

7. Lease Commitments - Equipment and Buildings

The College has obligations for leases of office equipment and premises. Future minimum payments for the next five years total $501,753 with the following annual payments:

Year	$
2001	109,864
2002	99,562
2003	98,746
2004	97,070
2005	96,511

8. Deferred Rent

The college entered into a lease for facilities for a period of 10 years in 1998. A condition of the lease required an advance payment of $150,000 to the lessor of the premises. The payment has been recorded as deferred rent and will be amortized over the term of the lease at the rate of $15,000 per year.

9. Related Party Transactions

Included in these financial statements are revenue and expenditures resulting from routine operating transactions conducted at agreed rates with various Crown controlled departments, agencies and corporations, with which the College is related. Accounts balances resulting from these transactions are included in the statements of financial position and operations. These transactions are settled on normal trade terms.

Transactions with related parties, incorporated in these financial statements, include the following:

Significant payments to related parties during the fiscal year:	**2000**	**1999**
	$	**$**
Association of Saskatchewan Regional Colleges	7,800	7 554
Saskatchewan Regional Colleges	29,221	
SIAST	912,372	668 334
Saskatchewan Property Management Corp.	88,147	99 317
Saskatchewan Telecommunications	91,194	100.410
University of Regina	58,171	104.550

Significant receipts from related parties during the fiscal year:	**2000**	**1999**
	$	**$**
Association of Saskatchewan Regional Colleges		30.585
New Careers Corporation		14.000
SIAST	35,469	29.665
SCN	105,500	105.500
University of Regina	3,913	17.254

10. Pension Plans

Employees of the college are members of the Teachers' Superannuation Plan, the Saskatchewan Teachers Retirement Plan or a defined contribution plan established by the Southeast Regional College. The college's obligations under these arrangements are limited to matching employee's contributions of the defined contribution plan established by the Southeast Regional College. Pension contributions for 2000 totalled $80,544 (1999, $82,966).

11. Deferred operating grants and program payments

Deferred revenue represents restricted funding for operating grants and program payments received in the current period. for operations of the subsequent period. Changes in deferred revenue for the year, are as follows:

		2000	**1999**
		$	**$**
Balance, beginning of year		439,261	316.937
Deduct:	Amounts recognized as revenue during the year	(412,376)	(304.937)
Add:	Amounts received during the year		
	Tuition received in advance	1,830	1.830
	Quick Skills	23,257	90.133
	Saskatchewan Skills Extension Program	135,543	138.562
	Labour Market Development Agreement	113,163	
	Basic Education	15,000	

PTA administration fee	10,000	
Carpentry program	84,416	
Links to Employment		23.900
Family Literacy Project		13.795
Enhanced Counselling		20.093
Future Skills project funding		16.195
July, 1999 Operating grant		119.753
Balance, end of year	410,094	439.261

12. Inter-fund transfers and internally restricted net assets

The Board of Governors have placed internal restrictions on unrestricted net assets to be used for future expenditures. These internally restricted amounts are not available for other purposes without approval of the Board of Directors. In 2000, transfers of $105.913 from the Program Computer Fund and $84,400 from the Equipment and Facility Fund were made to the (Restricted) Capital Fund, to cover the net cost of additions to Capital Assets.

The changes in internally restricted funds for the year, are as follows:

Internally Restricted Funds	Program Computer Fund $	Equipment & Facility Fund $	Program Development Fund $	Educational Development Fund $	Total $
Balance, beginning of year	368,196	124,588	203,224	84,433	[illegible]
Transfer from operating fund					
Additions to fixed assets, (transferred to capital fund)	(105,913)	(84,400)			[illegible]
Inter-fund transfers - to / (from)					
Balance, end of year	262,283	40,188	203,224	84,433	[illegible]

13. Financial Instruments

Accounts receivable and accounts payable are all short term in nature, and as such, their carrying value approximates fair value

The College is exposed to credit risk from non-payment of accounts receivable. Credit risk is minimal for amounts due from Saskatchewan Post-Secondary Education & Skills Training, the Government of Canada, and other educational institutions. All other receivables are reported at estimated net realizable value.

14. Actual vs Budget

	Budget 2000 $	Actual 2000 $
Revenue		
Saskatchewan Post-Secondary Education & Skills Training	2,927,034	3,557,697
Federal Government	12,000	107,167
Other	1,838,159	1,855,921
	4,777,193	**5,520,785**
Expenditure		
Contractual & professional	1,438,871	1,984,999
Rentals	239,058	268,383
Repairs & maintenance	40,584	18,351
Operating expenses	838,321	816,190
Personnel	2,295,448	2,306,201
	4,852,282	**5,394,124**
Excess (Deficiency) of Operating Fund revenues over expenditures	(75,089)	126,661
Excess (Deficiency) of Capital Fund revenues over expenditures	(189,756)	(127,875)
Total - Excess (Deficiency) of revenues over expenditures	**(264,845)**	**(1,214)**

15. Restated Amounts

Certain comparative year figures have been restated to conform with current year presentation.

Southeast Regional College

Payments over $20,000

SIAST Palliser	768,255.21
Receiver General of Canada	743,962.35
Allstar Technologies Canada	240,134.97
National Transportation Serv	224,984.62
London Life Insurance Company	178,871.47
Carson Welding & Maintenance	115,871.59
Estevan Comp School Board	103,665.74
Whetstone, Arthur	101,949.92
SaskTel	91,194.22
Sask Property Management Corp	88,146.62
SIAST Wascana	85,563.32
Jones, Judi	71,201.47
McCrea, Ian	67,734.93
Southeast Education Foundation	65,647.66
Connery, Ila	61,576.85
Senyk, Steve	60,245.39
Reed, Jim	60,045.64
Knibbs, Leah	58,706.13
University of Regina	58,171.27
Ludtke, Terry	56,350.10
Dynamic Technologies	56,232.01
Hamilton, Laura	56,043.27
Alexander, Sandra	55,944.83
Hoimyr, Randy	54,667.08
Vass, Brian	53,948.31
Co-operators	53,856.72
Zychkowski, Ed	51,549.72
Binns, Brian	49,038.09
Olson, Carole	46,239.05
Prior, Evelyn	44,571.00
Wilson, Helene	44,312.77
St. John's Enterprises	44,301.74
Jenson, Sherry	43,447.16
Petroleum Industry Training Se	42,136.53
Dorcas, Heather	40,803.74
Ellis, Karen	40,718.00
Melle, Karen	39,711.24
Donald, Heather	37,099.69
Forsberg, Wendy	36,767.87
Jordens, Trent	36,131.89
White Bear First Nations	35,905.18
Hammett, Margo	35,848.31
Williams, Robin	35,510.93
Stevenson, Gloria	34,830.21
Adacsi-Cooke, Bonnie	33,524.48
Windecker, Donna	33,324.00
SIAST Woodland	32,472.69
Kot, Lynn	32,265.44
Muir, Ellen	31,936.00
Halabuza, Charlotte	30,697.49
Scammell, Minerva	29,994.38
Ivan, Sharon	27,771.04
Herlick, Deb	27,629.58
Musk, Lorraine	27,571.87
Woznesensky, Denise	26,935.99
Kosior, Shanna	26,686.31
SIAST Kelsey	26,080.76

Knippshild, Dianne	25,537.82
SGEU Union Dues	24,558.72
Legare, Lucille	24,253.11
Sorrento, Sam	23,726.67
Johnston, Margot	23,358.78
Gress, Carol	22,620.30
Estevan Fire & Safety	21,839.26
Kulach, Bev - Entrepreuship	21,221.40
Reike Universal Training Cent	20,915.00
Kulach, Bev - Office Education	20,778.58
Grand & Toy	20,722.51
Broadview School Division #19	20,272.13